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Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General containing information on the financial performance of the United Nations Iraq-Kuwait Observation Mission (UNIKOM) for the period from 1 January to 30 June 1996 (A/51/658/Add.1) and the proposed budget for the maintenance of UNIKOM for the period from 1 July 1997 to 30 June 1998 (A/51/658/Add.2). During its consideration of the two reports, the Advisory Committee met with representatives of the Secretary-General, including the Chief Administrative Officer, who provided additional information.

2. As indicated in paragraph 12 of the report of the Secretary-General of 5 March 1997 (A/51/658/Add.2), the total resources made available to the Mission from its inception on 9 April 1991 to 30 June 1997 amount to $408,018,900 gross (including voluntary contributions of $144,326,267 provided by the Government of Kuwait).

3. The Advisory Committee was informed that $210,672,409 had been assessed on Member States from inception to 30 April 1997 and that contributions received amounted to $197,380,588, leaving outstanding assessments of $13,117,162 as at 28 February 1997. The Advisory Committee was also informed that the cash balance totalled $54.7 million as at 10 March 1997.

4. Paragraph 14 of the same report discusses the voluntary contributions provided to UNIKOM by the Government of Kuwait. In that connection, the Advisory Committee was informed that free housing was being provided to the Mission by the Government of Kuwait. It is the view of the Committee that this information should have been indicated in the document.

5. With regard to reimbursement to troop-contributing States, the Advisory Committee was informed that full reimbursement in accordance with the standard rates of reimbursements had been made for the period up to 31 July 1996.

Performance report for the period from 1 January to 30 June 1996

6. As indicated in paragraph 7 and annex I to the report of 4 March 1997 (A/51/658/Add.1), total expenditure for the

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period from 1 January to 30 June 1996 amounted to $25,396,800 gross ($24,373,000 net), compared with the total prorated resources of $30 million gross ($28,693,000 net) made available to UNIKOM for the same period. The resulting unencumbered balance for the period amounts to $4,603,200 gross ($4,320,000 net).

7. The unencumbered balance of $4,603,200 gross ($4,320,000 net) resulted primarily from savings under military personnel costs ($1,735,000), civilian personnel costs ($949,600), premises/accommodation ($589,700), infrastructure repairs ($50,200), transport operations ($70,700), air operations ($463,600), communications ($98,300) other equipment ($123,700) and services (security services) ($181,700).

8. The Advisory Committee was informed that total unliquidated obligations for the period from 1 January to 30 June 1996 amounted to $1.8 million as at 11 March 1997.

9. With regard to the issue of overpayment of mission subsistence allowance, the Advisory Committee recalled General Assembly decision 51/440 of 16 December 1996, in which the Assembly had requested the Secretary-General to take immediate action to recover the overpayments. Upon inquiry, the Committee was informed that the total amount to be recovered was estimated at $988,443.50, consisting of $647,041.50 from 143 staff at Headquarters, $72,067.50 from 19 staff separated from the Organization, $148,154.50 from 34 staff serving away from Headquarters and $121,180 from military observers, of which $6,120 had already been recovered.

10. The Advisory Committee was further informed that with regard to the 143 staff members at Headquarters, recovery would be in instalments, at approximately 15 per cent of the staff member's net salary per month for staff on permanent contracts and for staff on fixed-term contracts within the period of the remainder of the contracts.

11. In connection with recovery from the 34 staff members serving away from Headquarters, the Advisory Committee was informed that recovery had commenced in September 1996. The Advisory Committee was also informed that on 14 February 1997 letters requesting payments had been sent to the 19 staff members who had been separated from the Organization.

12. The Advisory Committee is concerned that the post of Chief Administrative Officer was left vacant for a period of six months (A/51/658/Add.1, annex IV). It is the view of the Committee that the absence of a Chief Administrative Officer may be one of the reasons there was a high vacancy rate for international personnel (see para. 14 below). Upon inquiry, the Advisory Committee was informed that the filling of the post had been made in conjunction with the rotation of Chief Administrative Officers in other missions.

13. The Advisory Committee notes from paragraph 51 of annex II to the same report that overexpenditure under security services amounting to $43,000 was not explained. Upon inquiry, the Advisory Committee was informed that that expenditure was part of the UNIKOM share for the ad hoc financing of the United Nations Logistic Base at Brindisi, Italy, as indicated in paragraph 8 of the report.

14. Paragraph 11 of annex II indicates that vacancy rates of civilian staff throughout the period averaged 18 per cent for international staff and 21 per cent for local staff. Upon inquiry as to the high vacancy factor, the Advisory Committee was informed that it was due, among other things, to the departure of UNIKOM international staff to other missions and, for local staff, to the difficulty of attracting qualified personnel on a long-term basis.

15. In paragraph 10 of the report, it is indicated that the action to be taken by the General Assembly at its resumed fifty-first session in connection with the financing of UNIKOM is a decision on the treatment of the unencumbered balance of $4,603,200 gross ($4,320,000 net). The Advisory Committee recommends that the unencumbered balance be credited to Member States.

Cost estimates for the period from 1 July 1997 to 30 June 1998

16. The cost of maintaining the Mission for the period from 1 July 1997 to 30 June 1998 is estimated at $50,653,000 gross ($48,600,100 net) (A/51/658/Add.2, para. 19). As indicated in paragraph 21, that amount represents a decrease of 0.2 per cent compared with the previous cost estimate of $50,745,400 gross ($48,674,500 net) for the period from 1 July 1996 to 30 June 1997. Two thirds of that amount is to be funded through voluntary contributions from the Government of Kuwait.

17. The cost estimate provide for 195 military observers, 903 troops (775 infantry and 128 support personnel), 72 international civilian staff and 166 local staff (ibid., annex II.A). In that connection, the Advisory Committee notes from paragraph 4 of the first report that the Secretary-General had indicated a modest streamlining of UNIKOM by reducing through April 1997 the number of military observers by about 50. As seen in paragraph 16 above, the cost estimate takes into account the reductions made by the Secretary-General.

18. The Advisory Committee notes from paragraph 22 of the second report (A/51/658/Add.2) that an increase of one international post and a decrease of four local staff as security guards were being requested. Upon inquiry as to the need for the additional post, the Advisory Committee was informed that the request for the P-3 post for the Procurement Section was being made to redress weaknesses identified by the Office of Internal Oversight Services in its 1995 audit report. In view of the explanation, the Committee has no objection to the additional P-3 post for the Procurement Section. However, taking into account the high vacancy rate, the Committee recommends that the requirements for the post be met through redeployment of existing resources (see para. 20 below).

19. In connection with the reduction of the four local staff, the Advisory Committee was informed that the posts had been vacant for some time and that the number of guards was adequate.

20. Annex II.C, paragraph 8, to the second report states that the estimate for civilian staff includes application of a 5 per cent vacancy factor for both international and local staff. In view of the fact that, as mentioned in paragraph 14 above, vacancy rates of civilian staff for the period from 1 January to 30 June 1996 averaged 18 per cent for international staff and 21 per cent for local staff, the Advisory Committee believes it is unlikely that a 5 per cent factor will be achieved even with urgent recruitment measures. Accordingly, the Committee recommends a rate of 10 per cent; the consequent reduction in the estimate would be $839,000 under international/local staff and $164,700 under staff assessment, taking into account the recommendation in paragraph 18 above.

21. The Advisory Committee notes from annex I to the same report that salaries for local staff have increased from $3,646,400 for the period from 1 July 1996 to 30 June 1997 to $3,807,800 for the period from 1 July 1997 to 30 June 1998. Upon inquiry, the Advisory Committee was informed that that increase was due to an increase in the average grade level of three incumbents for Baghdad.

22. Annex II.C, paragraph 4, discusses rations provided to staff of the Mission. Upon inquiry, the Advisory Committee was informed that the contract with the local caterer to provide the rations was awarded as a result of competitive bidding and represented a lower rate than the previous arrangement.

23. With regard to emplacement, rotation and repatriation of troops, the Advisory Committee was informed that the Government of Kuwait was providing the heavy equipment involved.

24. As recalled in annex II.C, paragraph 11, it had been anticipated that during the financial period 1996/97 the vehicle establishment of 470 would be reduced to 414. However, the Advisory Committee notes that 422 vehicles are being requested. In that connection, the Committee was informed that 25 of the vehicles had to be replaced. In view of the reduction in the number of military observers, the Committee is of the opinion that the size of the vehicle fleet is large and accordingly recommends that the estimate of $599,000 for the purchase of vehicles be reduced to $500,000.

25. It is the view of the Advisory Committee that the procedure for establishing current inventory needs to be improved. In that connection, the Committee notes that information contained in annex II.B on earth stations and data-processing equipment were not clear.

26. In annex II.C, paragraph 24, it is indicated that office furniture amounting to $22,500 will be transferred to UNIKOM from existing stock. Upon inquiry as to the source, the Advisory Committee was informed that the items would be transferred from the United Nations Logistics Base at Brindisi.

27. The Advisory Committee notes the action to be taken by the General Assembly as mentioned in paragraph 24 of the report. Taking into account its comments in paragraphs 18, 20 and 24 above, the Committee recommends that the Assembly appropriate the amount of $49,535,400 gross ($47,647,200 net) for the maintenance of the Mission for the period from 1 July 1997 to 30 June 1998, a two-thirds share of that amount, equivalent to $31,764,800, to be funded through voluntary contributions from the Government of Kuwait, the remaining one third, equivalent to $17,770,600 gross ($15,882,400 net), to be assessed on Member States at a monthly rate of $1,480,883 gross ($1,323,533 net).